



First Hawaiian Bank
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Sent via e-mail to: regs.comments@federalreserve.gov

January 30, 2004

Attn: Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, DC 20551

Subject: Docket No. R-1167; R-1168; R-1169; R-1170; R-1171; Standards for Providing Clear and Conspicuous Disclosures – Proposed Rule

Dear Ms. Johnson:

Thank you for allowing the opportunity to comment on the standards for providing clear and conspicuous disclosures. First Hawaiian Bank is a \$9 billion FDIC-regulated institution with 56 branches in Hawaii, 3 in Guam and 2 in Saipan. We offer a full line of banking services including numerous deposit, loan and credit card products.

We fully believe that consumers should be provided with noticeable and understandable information and appreciate the effort to create consistency between multiple regulations. However, we would like to oppose the proposed amendments and raise the following concerns:

1. **Existing Regulation.** The proposals did not indicate whether the disclosures produced under the current regulations are inadequate and have produced unclear and/or confusing disclosures. Before proposing to make this general change, we believe the Board should specifically identify and address issues and concerns caused by the current regulation to ensure that consumer issues will be addressed and that the benefits of a revised regulation will clearly outweigh the associated costs and burdens to the bank.
2. **Modeling Regulation P.** The federal banking agencies and consumers have acknowledged that the Regulation P privacy disclosures need to be improved to produce more understandable and useful information to consumers. This being the case, using Regulation P as a model may not produce the intended result of ensuring that consumers receive noticeable and understandable information.
3. **Unclear Terms and Descriptions.** The proposed terms (such as “everyday words”, “legal and highly technical business terminology” and “explanations that are imprecise”) and proposed descriptions (such as “wide margins” and “ample line space”) can be subjective. We feel that using subjective language may lead to criticism from banking examiners.

4. **Financial Burden.** If changed as proposed, banks will need to review every disclosure required by these five regulations to determine whether changes relating to wording, bullets, widened margins, type-face, spacing, shading, etc. will be required.

Due to the number of products, this will result in a review of approximately 140 documents plus website pages to ensure compliance. This will amount to a substantial cost as a result of numerous employee and legal counsel hours and system changes. In addition to the hours and associated expenses, the change may require additional on-going reproduction cost since the amount of paper will increase due to the expanded spacing and typeface.

5. **Transition Period.** If the Board adopts any rules that would require a review of existing disclosures, we ask for ample time to perform the review and publish revised disclosures. We request that you allow at least 12-months before mandatory compliance is enforced.

Thank you for consideration of our comments. If you have any questions or would like additional information, please feel free to contact the undersigned at 808-525-5111.

Sincerely,

FIRST HAWAIIAN BANK

Joyce W. Borthwick
Senior Vice President & Chief Compliance Officer
Corporate Compliance Division